

## Property Insurance Summary Renewal FY '04'

Insurance Carriers				Policy Provisions	
<i>Incumbent until 06/30/03</i>		<i>FY04</i>		<i>Summary of Other Significant Changes</i>	
Specialty National - Primary		Traveler’s Insurance.		<i>As Expiring on 06/30/03</i>	<i>FY04 Traveler’s</i>
Swiss Reinsurance – Excess					
<b>Options</b>				Accounts receivable. Blanket Limits.	\$5,000,000 sub-limit.
None. Over 20 carriers either declined to quote, cited capacity problems, earthquake exposure, or provided pricing that was cost-prohibitive. Traveler’s provided the only legitimate quotation.				Ordinances/Law. Blanket Limits.	\$10,000,000 sub-limit.
				Off Premises Services Interruption \$25,000,000.	\$1,000,000 sub-limit.
<b>Policy Limit Changes</b>				Computer virus. Blanket Limits.	\$100,000 sub-limit.
<i>As Expiring on 06/30/03</i>		<i>FY04 Traveler’s</i>		Claim Data Expense. Blanket Limits.	\$25,000 sub-limit.
Coverage	Limits	Coverage	Limits	Debris Removal. \$25,000,000 Limit.	\$10,000,000 sub-limit.
				Professional Fees. Blanket Limits	\$25,000 sub-limit.
Blanket Limit	\$2,100,000,000 Occ.	Same.	\$250,000,000	Tenants Improvements/Betterments.	Coverage is the same.
Automatic Coverage	\$25,000,000 Occ.	Same.	\$10,000,000	Outdoor Property. Blanket Limits.	Outdoor Property. \$15,000,000 sub-limit.
Earth Movement	\$100,000,000 Occ.	Same.	\$50,000,000	Valuable Papers. Blanket Limits.	\$10,000,000 sub-limit.
Extra Expense	\$25,000,000 Occ.	Same.	\$5,000,000	Builder’s Risk. Blanket Limits.	\$1,000,000 sub-limit.
Expediting Expense	\$25,000,000 Occ.	Same.	\$5,000,000	Civil Authority. Blanket Limits.	Many sub-limits.
Errors & Ommissions	\$25,000,000 Occ.	Same.	\$2,500,000	Reporting claims. 180 days. Automatic coverageuntil next fiscal year.	120 days. Pro-rata premium charge.
Service Interruption	\$25,000,000 Occ.	Same.	\$1,000,000		
Transit.	\$10,000,000 Occ.	Same.	\$1,000,000		
Business Income	\$25,000,000 Occ.	Same.	\$11,262,000		
Electronic Data Processing	\$25,000,000 Occ.	Same.	\$25,000,000	<b>Decision Package</b>	
Warehouse Legal Liability – Liquor	\$25,000,000 Occ.	Same.	Excluded.	<i>Note: Premium budgeted for FY2004 was \$1,700,000.</i>	
Debris Removal	\$10,000,000 Occ.	Same.	\$1,000,000	<ul style="list-style-type: none"><li><b>Purchased \$50,000,000 reinsurance coverage for earthquake, excess of Traveler’s \$50,000,000 primary for \$130,000. Purchased a separate policy for fine arts at \$43,000.</b></li></ul>	
Flood	\$100,000,000 Occ.	Same.	\$50,000,000, except Zones A. and V.	<ul style="list-style-type: none"><li><b>Option 1 - \$1,564,112 (\$150,000 SIR); Option 2- \$1,515,233 (\$250,000 SIR); Option 3- \$1,344,159 (\$500,000 SIR); Option 4 - \$1,063,107 (\$1,000,000 SIR); Option 5- \$1,062,448 (\$2,000,000 SIR); \$940,911 (\$5,000,000 SIR). Recommendation: Option 3. RMTD selected Option 2 above to limit exposure to the state self-insurance fund, while reducing premium.</b></li></ul>	
International Limit	\$1,000,000 Occ.	Same.	\$500,000.	<ul style="list-style-type: none"><li><b>Terrorism quotation w/i. Traveler’s policy offered at 7% of premium. ‘Stand-a-lone’ quotation also sought. Premium Options: Option 1 - \$190,825 (\$50,000,000); Option 2 - \$322,000 (\$100,000,000); Option 3 - \$402,500 at \$150,000,000. RMTD declined terrorism coverage because it was expensive, limited in scope, and the threat is not imminent in Montana.</b></li></ul>	
Valuable papers	\$2,100,000,000 Occ.	Same.	\$10,000,000		
<b>Notes: Substantial increase s in rates were predicted and realized, due to 9/11 and poor economy. Many coverage limits were lowered and some types of coverage were altogether eliminated.</b>					

